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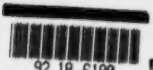

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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

H 92-2228

For Quarter Ended
May 31, 1992

Commission File Number
33-7057-NY

NTN CANADA, INC.
Exact name of registrant as specified in its charter)

___ (St. inc.	W YORK other jurisdiction of ion or organization	11-2805051 (I.R.S. Employer Identification Number

5255 de Sorel Street Montreal, Quebec (Address of principal executive Offices)	H4P 1G8 (Zip Code)

(514) 739-7898
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ____

The issuer has outstanding one class of common stock. As of the close of the period covered by this report, there were 3,402,400 common shares outstanding.

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PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

Index to Financial Statements

Consolidated Balance Sheets as at May 31, 1992 and August 31, 1991.

Consolidated Statements of Operations and Income for the nine month periods ended May 31, 1992 and 1991.

Consolidated Statements of Operations and Income for the three month periods ended May 31, 1992 and 1991.

Consolidated Statements of Cash Flows for the nine month periods ended May 31, 1992 and 1991.

The financial information for the nine month periods ended May 31, 1992 and 1991 and the three month periods ended May 31, 1992 and 1991 are unaudited, but in the opinion of management contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial information shown therein.

Reference is made to the Company's Form 10-K Annual Report for the fiscal year ended August 31, 1991 for additional Notes to Financial Statements.

NTN CANADA INC
Consolidated Balance Sheet
As of May 31, 1992
(Expressed in Canadian Dollars - Unaudited)

	May 31st 1992	August 31 1991
ASSETS:		
Current Assets:		
- Cash	44,384	261,599
- Accounts Receivable	541,211	468,177
- Notes Receivable	3,810	10,093
- Inventory	561,302	648,875
- Prepaid Expenses	39,765	54,772
- Short Term Investments	1,316,362	999,646
- Net Investment in Leases	31,284	38,477
Total Current Assets:	2,538,118	2,481,639
Long Term Assets:		
- Loans to Shareholders	65,153	-
- Long Term Investment	18,931	25,000
- Property & Equipment	84,049	101,152
- Net Investment in Leases	-	28,295
- License Fee	290,675	300,050
- Deferred Income Taxes	7,500	7,500
- Goodwill on Acquisition	241,839	255,759
Total Long Term Assets:	708,147	717,756
Total Assets:	3,246,265	3,199,395
LIABILITIES:		
Current Liabilities:		
- Bank Loan	1,000,000	1,101,141
- Accounts Payable & Accrued Liabilities	334,293	197,448
- Accrued Liabilities - Shareholder	4,534	77,906
- Commissions Payable - Trade	-	16,100
- Deferred Income	4,081	6,029
- Provision for Income Taxes	34,780	36,134
Total Liabilities:	1,377,688	1,434,758
SHAREHOLDER'S EQUITY:		
Share Capital:		
- Preferred Stock	11,523	11,523
- Common Stock	43,933	43,933
- Capital in Excess of Par Value	1,625,363	1,625,363
- Profit/(Loss) Prior Period(s)	135,588	83,818
- Earning - Current Year	52,170	-
Total Share Capital:	1,868,577	1,764,637
Total Liability & Share Capital:	3,246,265	3,199,395

NTN CANADA INC

Consolidated Statement of Operations and Income
Nine (9) Month Period Ended May 31 29, 1992 and May 31, 1991
(Expressed in Canadian Dollars - Unaudited)

	May 31st 1992	May 31st 1991
Total Revenues:	2,275,210	1,933,337
Direct Costs:	815,157	1,008,418
Gross Profits:	1,460,053	924,919
Selling, General & Administrative Expenses:	1,373,103	762,408
Income Before Income Taxes	86,950	162,511
Provision for Income Taxes	34,780	65,004
Net Income:	52,170	97,507
Earning Per Common Share:	Nil	Nil

NTN CANADA INC

Consolidated Statement of Operations and Income
Three (3) Month Period Ended May 31, 1992 and May 31, 1991
(Expressed in Canadian Dollars - Unaudited)

	May 31st 1992	May 31st 1991
Total Revenues:	832,668	892,669
Direct Costs:	192,397	382,017
Gross Profits:	640,271	510,652
Selling, General & Administrative Expenses:	616,231	417,353
Income Before Income Taxes	24,040	93,298
Provision for Income Taxes	9,616	37,319
Net Income:	14,424	55,979
Earning Per Common Share:	Nil	Nil

NTN CANADA INC

Consolidated Statement of Operations and Income
Three (3) Month Period Ended May 31, 1992 and May 31, 1991
(Expressed in Canadian Dollars - Unaudited)

	May 31st 1992	May 31st 1991
Total Revenues:	832,668	892,669
Direct Costs:	192,397	382,017
Gross Profits:	640,271	510,652
Selling, General & Administrative Expenses:	616,231	417,353
Income Before Income Taxes	24,040	93,298
Provision for Income Taxes	9,616	37,319
Net Income:	14,424	55,979
Earning Per Common Share:	Nil	Nil

NTN CANADA INC
Consolidated Statement of Cash Flows
For the Nine Month Period Ended May 31, 1992 and May 31, 1991
(Expressed in Canadian Dollars - Unaudited)

	May 31 1992	May 31 1991
Cash Flows From Operating Activities:		
- Cash Received From Customers	1,643,082	1,890,298
- Cash Paid to Suppliers, Employees & Directors	(1,535,125)	(1,789,928)
Net Cash Flows (Used for) Provided by Operating Activities	107,957	100,370
Cash Flows From Investment Activities:		
- Purchases of Equipment	-	(72,319)
- Net Investment in Leases	21,677	60,318
- License Fee		(15,625)
- Goodwill on Acquisition		215,699
Net Cash Flows (Used for) Provided by Investment Activities	21,677	(243,325)
Cash Flows From Financing Activities:		
- Long - Term Loan	-	5,318
- Common Shares	-	6,305
- Capital in Excess of Par Value	-	157,946
- Proceeds from Sale of Securities	71,008	
Net Cash Flows (Used for) Provided by Financing Activities	71,008	169,569
INCREASE/(DECREASE) IN CASH	200,642	26,614
Cash, Beginning of Year	160,104	274,823
Cash, End of Period	360,746	301,437
For the Purposes of this Statement, "Cash" Comprises:		
- Cash	44,304	1,415,464
- Term Deposits	1,313,919	-
- Bank Demand Loans	(997,557)	(1,114,027)
	360,746	301,437

Item 2. Management's Discussion and Analysis of Financial Conditions and Results of Operations

The financial statements of the Company, as well as the information contained in this analysis, include the financial statements, and information concerning operations, with respect to its wholly owned subsidiary, Petrie Group Management, Inc. ("Petrie") which was acquired by the Company effective March 1, 1991, and Petrie's wholly owned subsidiary, NTN Creative Marketing, Inc. ("Creative").

The financial statements of the Company are expressed in Canadian Dollars. The information contained in this analysis is expressed in both Canadian and United States Dollars, the conversion ratio being US$ .83 to each Cn$1.00.

Results of Operations

During the nine months ended May 31, 1992, the Company's gross revenues increased Cn$341,873 (US$283,755) or 18% from the same period in 1991. The increase resulted in part from special corporate programs produced by Creative, as well as broadcast and maintenance services provided by the Company which are described below. Direct costs decreased Cn$193,261 (US$160,407), or 19% from the same period in 1991, reflecting the fact that revenues derived from the existing activities of Creative carry minimal, if any, direct costs. Gross profit increased Cn$535,134 (US$444,161), or 58% from the same period in 1991. Selling, general and administrative expenses increased Cn$610,695 (US$506,877), or 68% from the same period in 1991. There were significant increases in

salaries, employee benefits and rent resulting in part from the acquisition of Petrie and Creative. In addition, the Company has allocated certain annual expenses to the quarterly periods. As a result, income before income taxes declined from Cn$162,511 (US$134,844) to Cn$86,950 (US$68,169), and net income declined slightly from Cn$97,507 (US$80,931) to Cn$52,170 (US$43,301), from the same period in 1991. Earnings per share were negligible for both periods.

During the three months ended May 31, 1992, the Company's gross revenue decreased by Cn$60,001 (US$49,801), or 7%, from the same period in 1991, resulting from the general overall slow down in the economy. Direct costs decreased Cn$189,620 (US$157,379), or 50% from the same period in 1991. The decrease was due in part to the reduction in direct costs from the activities of Creative.

Since direct costs decreased more than gross revenue, gross profit showed an increase of 25% from the same period in 1991, to Cn$640,271 (US$531,425). Selling, general and administrative expenses increased 48% from the same period in 1991, to Cn$616,231 (US$511,472), reflecting the increased overhead of the combined Company and, as discussed above, the allocation of certain annual expenses to the 1992 quarter. During the three months ended May 31, 1992, income before income taxes decreased from Cn$93,298 (US$77,437) to Cn$24,040 (US$19,953), and Net Income decreased from Cn$55,979 (US$46,463) to Cn$14,424 (US$11,972),

compared to the same period in 1991.

The Company expects that the signing of agreements to provide services to new corporate clients will result in expanded operations and increased revenues for the period in which the services are provided. The services are not utilized by corporate clients on a continuous basis but may be renewed periodically. New services utilizing interactive training have been developed for use by corporate clients and are presently being utilized by Mutual Life of Canada, Ontario Hydro and Hills Pet Products. In the field of product knowledge, new services have been developed for Goodyear and Porsche Automobiles. There can be no assurance that new revenues will result from such services on an ongoing basis or that such services will result in positive changes to net income.

Liquidity and Capital Resources

Working capital as of May 31, 1992 amounted to Cn$1,160,430 (US$963,157), as compared to Cn$1,046,881 (US$868,911) as of August 31, 1991. The Company believes that its working capital position is sufficient for its current needs.

The Company is dependent upon the continued existence of NTN Communications, Inc. ("Communications") for broadcast services and maintenance operations. In June, 1991, Communications recapitalized its debt in the amount of approximately US$8,100,000 and raised new equity of approximately US$9,200,000. The Company has been advised that within the last twelve months,

Communications' net worth has changed from a negative position to a positive position.

Inflation

The rate of inflation has had little impact on the Company's results of operations and is not expected to have a significant impact on continuing operations.

PART II - OTHER INFORMATION

NONE.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: July 14, 1992

By: _____
Peter Rona,
President and Principal
Financial Officer